

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS REPORT

SEPTEMBER 30, 2015 AND 2014

SOCIETY OF ST. VINCENT DE PAUL OF GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position as of September 30, 2015 and 2014	3
Statements of Activities for the Years Ended September 30, 2015 and 2014	4
Statement of Functional Expenses for the Year Ended September 30, 2015	6
Statement of Functional Expenses for the Year Ended September 30, 2014	7
Statements of Cash Flows for the Years Ended September 30, 2015 and 2014	8
Notes to Financial Statements	10
Supplemental Information:	
Schedule of State Awards Expended for the Year Ended September 30, 2015	25



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Society of St. Vincent de Paul Georgia, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the Society of St. Vincent de Paul Georgia, Inc. (a nonprofit organization previously known as St. Vincent de Paul Society, Inc.), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society of St. Vincent de Paul Georgia, Inc. as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of state awards expended on page 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Brooks, McInnis & Company, LLC

Atlanta, Georgia
March 14, 2016

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 1,439,705	\$ 1,490,240
Accounts and grant receivable	261,240	252,048
Investments	151,530	159,670
Inventory	517,499	479,161
Prepaid expenses	28,371	48,985
Cemetery lots and mausoleum spaces	152,312	152,312
Property and equipment, net	704,235	207,220
Other assets	31,191	24,274
Total assets	\$ 3,286,083	\$ 2,813,910
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 325,800	\$ 322,633
Accrued expenses	78,404	52,560
Deferred revenue	170,089	-
Line of credit payable	175,284	-
Notes payable	91,318	55,316
Other liabilities	43,885	43,819
Total liabilities	884,780	474,328
Commitments and contingencies		
Net assets:		
Unrestricted:		
Available for operations	1,601,256	1,980,973
Board designated	141,530	149,670
Invested in property and equipment, net of debt	612,917	151,904
Total unrestricted	2,355,703	2,282,547
Temporarily restricted	35,600	47,035
Permanently restricted	10,000	10,000
Total net assets	2,401,303	2,339,582
Total liabilities and net assets	\$ 3,286,083	\$ 2,813,910

The accompanying notes are an integral part of these financial statements

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Changes in unrestricted net assets:		
Public support:		
Individuals, private foundations, grants and corporations	\$ 7,436,995	\$ 7,526,400
In-kind donations	3,232,396	2,492,404
Fundraising events, net of expenses	208,881	415,256
Annual collection	274,540	310,561
Estates and memorials	31,369	71,558
Net assets released from restrictions	161,402	355,617
Total public support	11,345,583	11,171,796
Revenue and gains (losses):		
Thrift stores	2,237,490	2,111,132
Investment income (loss)	(6,103)	22,669
Loss on disposal of property and equipment	(27,461)	-
Other income	50,936	-
Total revenue and gains (losses)	2,254,862	2,133,801
Total public support, revenue and gains (losses)	13,600,445	13,305,597
Expenses:		
Program services	12,097,812	11,979,773
Supporting services:		
General and administrative	989,130	973,625
Fundraising	440,347	509,120
Total supporting services	1,429,477	1,482,745
Total expenses	13,527,289	13,462,518
Increase (decrease) in unrestricted net assets	73,156	(156,921)

(Continued on next page.)

The accompanying notes are an integral part of these financial statements

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
 (FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
 STATEMENTS OF ACTIVITIES – CONTINUED
 FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Changes in temporarily restricted net assets:		
Contributions	149,967	211,724
Net assets released from restrictions	(161,402)	(355,617)
Decrease in temporarily restricted net assets	(11,435)	(143,893)
Increase (decrease) in net assets	61,721	(300,814)
Net assets at beginning of year	2,339,582	2,640,396
Net assets at end of year	\$ 2,401,303	\$ 2,339,582

The accompanying notes are an integral part of these financial statements

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Program Services					Supporting Services				Total Expenses
	Direct Aid	Thrift Store Operations	Thrift Store Recycling	Conferences Services	Total Program Services	Administration	Communication	Total General and Administrative	Fundraising	
Salaries	\$ 318,871	\$ 400,260	\$ 47,945	\$ 159,146	\$ 926,222	\$ 265,022	\$ 64,163	\$ 329,185	\$ 186,289	\$ 1,441,696
Payroll taxes and benefits	39,834	25,621	4,682	21,014	91,151	132,796	8,308	141,104	22,808	255,063
Direct Aid	1,061,585	5,536	-	8,360,953	9,428,074	3,134	-	3,134	665	9,431,873
Rent	49,935	639,400	38,295	1,970	729,600	25,964	687	26,651	1,734	757,985
Utilities	30,642	231,539	1,398	9,461	273,040	8,627	3,356	11,983	8,340	293,363
Professional fees	-	4,823	-	-	4,823	83,657	-	83,657	53,631	142,111
Supplies	3,103	132,527	1,975	4,826	142,431	12,855	16	12,871	116	155,418
Bank fees	13,981	47,539	-	131	61,651	65,506	20	65,526	16,401	143,578
Dues and subscriptions	90	50	-	486	626	107,701	643	108,344	8,910	117,880
Travel	6,637	3,410	22	10,143	20,212	46,035	235	46,270	6,902	73,384
Printing	10,812	1,979	-	2,019	14,810	15,150	3,867	19,017	43,402	77,229
Advertising	-	7,576	-	82	7,658	11,616	25,810	37,426	26,843	71,927
Repairs and maintenance	3,535	58,531	3,161	1,697	66,924	1,582	616	2,198	1,530	70,652
Technology	-	1,374	-	338	1,712	44,341	-	44,341	14,991	61,044
Insurance	7,688	10,924	469	4,419	23,500	4,843	1,731	6,574	4,302	34,376
Auto expense	14,492	8,471	2,717	-	25,680	-	-	-	44	25,724
Postage	144	48	118	39	349	9,014	154	9,168	9,120	18,637
Events	-	80	-	124	204	8,057	-	8,057	15,702	23,963
Training	18	-	-	-	18	3,600	-	3,600	65	3,683
Committee expense	1,748	2,762	112	1,834	6,456	1,066	415	1,481	1,055	8,992
Non-direct aid	398	6,298	-	205,636	212,332	12,147	-	12,147	6,087	230,566
Total expenses before depreciation and amortization	1,563,513	1,588,748	100,894	8,784,318	12,037,473	862,713	110,021	972,734	428,937	13,439,144
Depreciation and amortization	19,352	28,021	1,243	11,723	60,339	11,804	4,592	16,396	11,410	88,145
Total expenses	\$ 1,582,865	\$ 1,616,769	\$ 102,137	\$ 8,796,041	\$ 12,097,812	\$ 874,517	\$ 114,613	\$ 989,130	\$ 440,347	\$ 13,527,289
	12%	12%	1%	65%	90%	6%	1%	7%	3%	100%

The accompanying notes are an integral part of these financial statements

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Program Services				Supporting Services				Total Expenses	
	Direct Aid	Thrift Store Operations	Thrift Store Recycling	Conferences Services	Total Program Services	Administration	Communication	Total General and Administrative		Fundraising
Salaries	\$ 409,103	\$ 116,640	\$ 63,241	\$ 227,179	\$ 816,163	\$ 249,612	\$ 63,866	\$ 313,478	\$ 287,247	\$ 1,416,888
Payroll taxes and benefits	82,243	24,863	13,528	45,747	166,381	35,278	12,240	47,518	47,958	261,857
Direct aid	1,085,083	-	-	8,297,091	9,382,174	-	-	-	-	9,382,174
Rent	63,364	609,623	35,231	1,812	710,030	32,467	632	33,099	1,596	744,725
Utilities	37,149	163,120	2,260	9,542	212,071	14,891	1,912	16,803	10,404	239,278
Professional fees	6,000	-	-	-	6,000	187,778	-	187,778	10,569	204,347
Supplies	12,345	101,027	2,322	4,250	119,944	21,777	1,216	22,993	3,455	146,392
Bank fees	14,055	41,047	-	41	55,143	49,185	-	49,185	18,745	123,073
Dues and subscriptions	-	-	-	25,300	25,300	75,450	660	76,110	13,452	114,862
Travel	10,967	2,409	26	10,257	23,659	51,930	1,792	53,722	15,282	92,663
Printing	11,341	1,006	-	1,820	14,167	19,448	4,504	23,952	30,039	68,158
Advertising	413	7,559	-	914	8,886	48	27,522	27,570	26,906	63,362
Repairs and maintenance	12,159	39,021	2,687	2,265	56,132	1,748	349	2,097	1,813	60,042
Technology	5,475	-	-	17,126	22,601	23,182	2,853	26,035	4,316	52,952
Insurance	13,611	15,822	1,026	4,064	34,523	10,696	991	11,687	4,987	51,197
Auto expense	13,457	7,936	6,358	-	27,751	61	-	61	75	27,887
Postage	176	693	-	22	891	3,152	-	3,152	21,572	25,615
Events	158	229	-	7,308	7,695	8,624	2,168	10,792	1,549	20,036
Training	423	-	-	531	954	9,474	-	9,474	1,347	11,775
Committee expense	1,588	1,660	223	881	4,352	1,795	215	2,010	1,082	7,444
Non-direct aid	3,394	80,178	-	176,540	260,112	21,564	-	21,564	225	281,901
Total expenses before depreciation and amortization	1,782,504	1,212,833	126,902	8,832,690	11,954,929	818,160	120,920	939,080	502,619	13,396,628
Depreciation and amortization	8,778	9,429	1,338	5,299	24,844	33,253	1,292	34,545	6,501	65,890
Total expenses	\$ 1,791,282	\$ 1,222,262	\$ 128,240	\$ 8,837,989	\$ 11,979,773	\$ 851,413	\$ 122,212	\$ 973,625	\$ 509,120	\$ 13,462,518
	13%	9%	1%	66%	89%	6%	1%	7%	4%	100%

The accompanying notes are an integral part of these financial statements

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 61,721	\$ (300,814)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	88,145	65,890
Loss on disposal of property and equipment	27,461	-
Donations of cemetery lots	-	(16,339)
In-kind donations of land and building	(452,334)	(20,000)
(Gain) loss on investments	8,140	(13,932)
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts and grant receivable	(9,192)	(51,398)
Inventory	(38,338)	(27,088)
Prepaid expenses	20,614	(13,706)
Other assets	(6,917)	(1,616)
Increase (decrease) in liabilities:		
Accounts payable	3,167	223,722
Accrued expenses	25,844	(2,549)
Deferred revenue	170,089	(140,040)
Other liabilities	66	(3,452)
Total adjustments	<u>(163,255)</u>	<u>(508)</u>
Net cash used in operating activities	<u>(101,534)</u>	<u>(301,322)</u>
Cash flows from investing activities:		
Proceeds from sale of land and vehicle	13,914	-
Purchase of property and equipment	<u>(174,201)</u>	<u>(41,662)</u>
Net cash used in investing activities	<u>(160,287)</u>	<u>(41,662)</u>
Cash flows from financing activities:		
Borrowings on notes payable	54,150	35,436
Borrowings on line of credit	175,284	-
Principal payments on notes payable	<u>(18,148)</u>	<u>(15,264)</u>
Net cash provided by financing activities	<u>211,286</u>	<u>20,172</u>
Net decrease in cash and cash equivalents	(50,535)	(322,812)
Cash and cash equivalents - beginning of year	<u>1,490,240</u>	<u>1,813,052</u>
Cash and cash equivalents - end of year	<u>\$ 1,439,705</u>	<u>\$ 1,490,240</u>

(Continued on next page.)

The accompanying notes are an integral part of these financial statements

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
STATEMENTS OF CASH FLOWS – CONTINUED
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	\$ <u>9,496</u>	\$ <u>2,388</u>
Non-cash investing and financing activities:		
Refinance of notes payable	\$ <u>39,750</u>	\$ <u>-</u>

The accompanying notes are an integral part of these financial statements

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

1. Nature of Organization and Significant Accounting Policies

Organization

The Society of St. Vincent de Paul Georgia, Inc. (formerly St. Vincent de Paul Society, Inc.) (the “Society”) is a nonprofit organization that has been actively assisting people in metro Atlanta and Georgia since 1903. In January 2015, the Society changed its name to the Society of St. Vincent de Paul Georgia, Inc. The Society is part of an international organization of Catholic lay people. The Society’s mission is to respond and reach out to people in need, regardless of their race or religion. The Society strives to equip individuals experiencing a time of hardship with the materials, education and confidence needed to establish financial security and self-sufficiency. The Society serves individuals based on their circumstances through financial assistance, free food, free clothing, other merchandise, transportation assistance or a combination of these services. Over seventy volunteer groups, referred to as St. Vincent de Paul Conferences (the “Conferences”), provide assistance in various locations throughout North Georgia. The Society also operates ten thrift stores in the Atlanta area where clients may redeem vouchers for free clothing, furniture and household goods. The proceeds from stores are used to help families in need with financial assistance. The Council of the Society of St. Vincent de Paul Georgia, Inc. (the Council) is the administrative segment of the Society. The activities and account balances of the Council, conferences and thrift stores are included in these financial statements.

Basis of Accounting

The financial statements of the Society are presented on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities in conformity with accounting principles generally accepted in the United States of America (GAAP). Under this method of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which they are incurred.

Financial Statement Presentation

In accordance with GAAP, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, or permanently restricted, based on stipulations made by the donor.

Contributions

The Society records unconditional promises to give and contributions received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of donor restrictions.

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

1. Nature of Organization and Significant Accounting Policies – Continued

Contributions – Continued

The Society reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. All contributions and unconditional promises to give which do not have donor restrictions as to purpose or time are classified as unrestricted contributions and pledges receivable.

The Society records gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, as well as gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Society reports expirations of donor restrictions when the donated or purchased long-lived assets are placed in service.

Donated Property, Services and Goods

In accordance with GAAP, all non-cash gifts (other than personal services) are recorded at their estimated fair value at the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would otherwise need to be purchased by the Society if not provided by donation.

During the fiscal years ended September 30, 2015 and 2014, donations of specialized services were received and recorded. Also, the Society received donations of vehicles, clothing and food for both sale and free distribution to clients. During fiscal 2015 the Society also received a donation of property to be used for a family support center and thrift store. During the fiscal year ended September 30, 2014, in-kind donations were made for the Evening for Hope event totaling approximately \$47,000, which is included in fundraising event revenue in the accompanying statement of activities.

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

1. Nature of Organization and Significant Accounting Policies – Continued

Donated Property, Services and Goods – Continued

Donated property, services and goods consist of the following for the years ending September 30:

	2015	2014
Clothing and food	\$ 2,643,816	\$ 2,281,700
Land, building, and building improvements	452,334	20,000
Vehicles	21,885	50,548
Cemetery lots	-	23,455
Furniture	53,766	17,879
Rent	15,833	-
Specialized services	14,708	14,405
Other in-kind - conferences	30,054	84,417
	\$ 3,232,396	\$ 2,492,404

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. The Society's policy is to allocate indirect administrative expenses incurred to programs and supporting services based on management estimates of effort and expense used to support these activities. Management believes that these estimates and resulting allocations fairly represent the costs and efforts expended on these activities.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax Exempt Status

The Society is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code, and classified by the Internal Revenue Service as an organization other than a private foundation. In the opinion of management, the Society continues to operate as a tax exempt organization and, accordingly, no provisions for federal and state income taxes have been recorded in the accompanying financial statements. Income from certain activities not directly related to the Society's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended September 30, 2015 and 2014, the Society did not have any unrelated business income, and accordingly, no unrelated business income tax.

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

1. Nature of Organization and Significant Accounting Policies – Continued

Tax Exempt Status – Continued

Management believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements. The Society's income tax returns are subject to examination by the appropriate regulatory authorities, and as of September 30, 2015 and 2014, the Society's federal tax returns remain open to examination for the last three years.

Cash and Cash Equivalents and Concentration of Credit Risk

Cash includes demand accounts at a bank and at the Catholic Archdiocese of Atlanta. For purposes of the statement of cash flows, the Society considers all short-term, interest-bearing deposits with original maturities of three months or less to be cash equivalents. Included in cash and cash equivalents are investments in a common fund account held by the Catholic Archdiocese of Atlanta.

The balance in the Society's bank accounts, as reflected in the bank's records, is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2015 and 2014, the funds in the bank accounts did not exceed this balance. The balances in the demand account at the Catholic Archdiocese of Atlanta at September 30, 2015 and 2014 of \$136,614 and \$296,903, respectively, are not insured by the FDIC.

Accounts and Grant Receivable

Accounts receivable consist primarily of annual collection receivables less an allowance for doubtful accounts when applicable. Grant receivable includes amounts due from United Way. Management's determination of the allowance for doubtful accounts is based on an evaluation of the accounts, past experience, current economic conditions, and other risks inherent in receivables. Management believes that all accounts and grant receivable are fully collectible at September 30, 2015 and 2014.

Inventory

Inventory consists of donated Thrift Store merchandise and various other supplies. The Society records inventory for donated goods at estimated fair value, which is determined based on its future economic benefit.

Cemetery Lots and Mausoleum Spaces

Cemetery lots and mausoleum spaces are donated to the Society and are recorded at fair value at the date of donation. During the year ended September 30, 2015, there were no lots donated to the Society or lots donated to others as direct client aid. During the year ended September 30, 2014, lots valued at \$23,455 were donated to the Society and lots totaling \$7,116 were donated to others as direct client aid.

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

1. Nature of Organization and Significant Accounting Policies – Continued

Property and Equipment

It is the policy of the Society to capitalize property and equipment in excess of \$1,000. Purchased furniture, fixtures, equipment and vehicles are recorded at cost. Donated furniture, fixtures, equipment, and vehicles are carried at approximate fair value at the date of donation. Depreciation is computed over the assets estimated useful lives, ranging from 3 to 10 years, using the straight-line method. Leasehold improvements are amortized over the estimated useful life of the improvement or the life of the lease, whichever is shorter.

Deferred Revenue

Deferred revenue results from the Society recognizing special event revenue in the period in which the related event occurred. Accordingly, the event fees received for a fundraiser to be held the next fiscal year are deferred until the event date.

Advertising Costs

Advertising costs are expensed as incurred.

National Meeting and Evening for Hope

In September 2014, the Society hosted the national meeting of the St. Vincent de Paul Society, Inc. The national meeting was held in conjunction with the annual Evening for Hope event and was not intended to be solely a fundraising opportunity and was expected to break even. Due to the timing of the national meeting and Evening for Hope events, there is no deferred revenue recorded in the accompanying statement of financial position at September 30, 2014. A total of \$152,789 of expenses for the national meeting is included in accounts payable in the statement of financial position for the year ended September 30, 2014.

The 2015 Evening for Hope event will be held in October 2015 subsequent to year end. Therefore, due to timing of the event, there is no Evening for Hope activity recorded in fundraising events in the accompanying statement of activities for the year ended September 30, 2015. Deferred revenue as of September 30, 2015 totaled \$76,125 and represents sponsorships and fees received for the October 2015 event as shown in the accompanying statement of financial position.

Fundraising events are shown in the accompanying statement of activities for the year ended September 30, 2015 net of expenses totaling \$20,409 which were for Tee Off for Hope and Hunger Walk. For the year ended September 30, 2014, fundraising events are shown net of expenses totaling \$381,154, substantially all of which are related to the national meeting and Evening for Hope held in October 2014.

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

1. Nature of Organization and Significant Accounting Policies – Continued

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation.

2. Investments

The Society classifies its investment assets using a hierarchy of inputs to fair value measurements in accordance with professional standards, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the Society has the ability to access.

Level 2 – Inputs to the valuation methodology that are derived principally from or corroborated by observable market data:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs that are unobservable and significant to the overall fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

2. Investments – Continued

The fair market value of investments is summarized below at September 30:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2015</u>				
Equity funds - domestic	\$ 13,495	\$ 49,033	\$ -	\$ 62,528
Debt funds - domestic and international	50,178	-	-	50,178
Equity funds - international	18,894	-	-	18,894
Short-term investment funds	-	6,581	-	6,581
Equity securities - domestic	12,374	-	-	12,374
Equity securities - international	442	-	-	442
Charitable gift endowment annuities	-	-	533	533
	<u>\$ 95,383</u>	<u>\$ 55,614</u>	<u>\$ 533</u>	<u>\$ 151,530</u>
<u>2014</u>				
Equity funds - domestic	\$ 37,879	\$ 53,030	\$ -	\$ 90,909
Debt funds - domestic and international	53,397	-	-	53,397
Equity funds - international	13,612	-	-	13,612
Short-term investment funds	-	1,441	-	1,441
Charitable gift endowment annuities	-	-	311	311
	<u>\$ 104,888</u>	<u>\$ 54,471</u>	<u>\$ 311</u>	<u>\$ 159,670</u>

The Society's investments are maintained within the Society of St. Vincent de Paul Georgia Endowment Fund (the Fund), which was established during March 2012 to allow various Roman Catholic diocesan parishes, schools, agencies, entities or programs in the Archdiocese of Atlanta to establish permanent endowments for their future long-term needs and other designated purposes.

Investment returns consist of the following for the years ended September 30:

	<u>2015</u>	<u>2014</u>
Unrealized and realized gain (loss)	\$ (12,783)	\$ 11,987
Dividends, interest, and reinvested capital gains	<u>4,643</u>	<u>1,945</u>
Investment return (loss), net of management fees	<u>\$ (8,140)</u>	<u>\$ 13,932</u>

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

2. Investments – Continued

The changes in investments classified as Level 3 are as follows for the year ended September 30, 2015:

Beginning balance on October 1, 2014	\$	311
New contracts issued		188
Payments made to annuitants		(60)
Change in value of charitable annuities		94
		94
Ending balance on September 30, 2015	\$	533

The changes in investments classified as Level 3 are as follows for the year ended September 30, 2014:

Beginning balance on October 1, 2013	\$	336
New contracts issued		44
Payments made to annuitants		(57)
Change in value of charitable annuities		(12)
		(12)
Ending balance on September 30, 2014	\$	311

3. Property and Equipment, Net

Property and equipment are summarized as follows at September 30:

	2015	2014
Land	\$ 77,700	\$ 20,000
Building	292,300	-
Leasehold improvements	263,167	154,566
Equipment	237,194	238,434
Vehicles	204,715	212,406
Computer equipment	118,790	115,306
Security system	14,016	14,016
Furniture and fixtures	9,733	6,427
	1,217,615	761,155
Less accumulated depreciation	(513,380)	(553,935)
Total property and equipment, net	\$ 704,235	\$ 207,220

During fiscal 2015, a bank donated land valued at \$77,700 and a building valued at \$292,300 to the Society which was renovated to become the Lakewood Family Support Center and Thrift Store. Depreciation and amortization expense for the years ended September 30, 2015 and 2014 totaled \$88,145 and \$65,890, respectively.

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

4. Notes payable

In August 2015, the Society refinanced its existing notes payable into a single note payable with another lender. A summary of notes payable is as follows at September 30:

	2015	2014
Vehicle loan with a fixed rate of 4.95%, due in monthly installments of \$941, including principal and interest through February 2017, refinanced in August 2015:	\$ -	\$ 29,793
Vehicle loan with a fixed rate of 4.85%, due in monthly installments of \$1,060, including principal and interest through March 2017 refinanced in August 2015:	-	25,523
Vehicle loan with a fixed rate of 4.59%, due in monthly installments of \$1,958, including principal and interest through June 2017:	39,430	-
Vehicle loan with a fixed rate of 4.59%, due in monthly installments of \$984, including principal and interest through August 2020.	51,888	-
Total notes payable	\$ 91,318	\$ 55,316

Aggregate principal maturities of debt subsequent to September 30, 2015 are as follows:

Year ending September 30,		
2016	\$	31,772
2017		27,366
2018		10,552
2019		11,047
2020		10,581
	\$	91,318

During 2014, the Society secured a \$300,000 line of credit from the Archdiocese of Atlanta. All unpaid accrued interest and principal is due May 31, 2016. The interest rate on the line of credit is 9%. The outstanding balance on this line of credit was \$175,284 as of September 30, 2015. There were no draws on this line of credit as of September 30, 2014.

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

5. Other Liabilities

During 2012, funds were transferred from an affiliated Foundation to the Society’s Archdiocese bank account to administer an employee loan fund for the affiliate. These funds are not in the Society’s control for administration and are therefore shown as a liability on the statement of financial position. The balance in other liabilities at September 30, 2015 and 2014 is \$43,885 and \$43,819, respectively.

6. Major Sources of Support and Revenue

The Society has three main sources of support and revenue which are as follows: Thrift Store sales, government grants for the Emergency Food and Shelter Program (EFSP), and contributions from individuals, foundations and corporations. For the years ended September 30, 2015 and 2014, the amounts derived from these sources represented approximately 99% and 97%, respectively, of the Society’s total support and revenue.

7. Board Designated Net Assets

Board designated net assets consist of endowed net assets of \$141,530 and \$149,670 for the years ended September 30, 2015 and 2014, respectively.

8. Temporarily Restricted Net Assets

Temporarily restricted net assets are comprised of funds the Society has received subject to donor-imposed restrictions consisting of the following at September 30:

	2015	2014
Direct assistance	\$ 25,000	\$ 40,115
Journey program	10,600	-
Job training	-	6,920
Total temporarily restricted net assets	\$ 35,600	\$ 47,035

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

9. Net Assets Released from Restrictions

The following net assets were released from donor restrictions by incurring expenditures satisfying the restricted purpose or by occurrence of other events specified by donors for the years ended September 30:

	2015	2014
Purpose restriction accomplished:		
Direct assistance	\$ 40,115	\$ 298,807
Property and equipment	30,000	38,730
Job training	6,920	13,080
Food distribution program	69,367	-
Support Center	15,000	-
Other	-	5,000
Total net assets released from restrictions	\$ 161,402	\$ 355,617

10. Endowed Net Assets

The Society’s endowment fund consists of funds designated by the Society’s board of directors as well as donations permanently restricted by donors. As described in Note 2, these funds are maintained with the Society of St. Vincent de Paul Georgia Endowment Fund (the “Fund”).

The Society follows the requirements of Georgia’s Uniform Management of Institutional Funds Act (the “Act”). Upon receipt of gifts and bequests, the Society evaluates the gift instrument and related information to determine the directions and intentions of the donor. The Society classifies gifts that are not immediately expendable as either temporarily or permanently restricted, depending on the restrictions that the donor has imposed. Consistent with the Act, in the absence of explicit directions by the donor, the Society classifies the initial recorded value of gifts that are not immediately expendable as permanently restricted.

Investment Policy

The Society established an investment policy for the purpose of providing general guidelines for the prudent investment of its endowment assets. The objective of the investment policy is to defray annual spending and permit some growth of the assets as well as to maximize returns within reasonable and prudent levels of risk in order to minimize chances for loss of capital. The desired investment objective for the investments is to achieve a long term rate of return of 5% over the prevailing rate of inflation, with a target rate of approximately 8% per year.

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

10. Endowed Net Assets – Continued

Spending Policy

Contributions to the Fund can be made by the Society or by donors, provided that the contributions are in a form acceptable under the Fund’s Acceptance Policy. Once an aggregate of \$50,000 in cash or other assets has been contributed, the Society may begin making distributions from the Fund. The endowment may only be used to support the operations, ministries, and capital needs of the Society of St. Vincent de Paul Georgia, Inc. Unless otherwise changed by the Board of Directors, the amount of the endowment distribution used for operations may not exceed 20% of the operating budget. Usage of the endowment distributed funds requires an approval of the board of directors as part of each year’s budget process or by special vote. There were no distributions made from the fund during the years ended September 30, 2015 and 2014.

From time to time, the fair value of invested assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Society to retain as a fund of perpetual duration. There were no such deficiencies as of September 30, 2015 and 2014.

Changes in the Society’s endowment for the years ended September 30 are as follows:

	Board Designated/ Unrestricted	Permanently Restricted	Total
<u>2015</u>			
Beginning Balance	\$ 149,670	\$ 10,000	\$ 159,670
Interest and dividends	4,643	-	4,643
Investment gains (losses)			
Realized	2,233	-	2,233
Unrealized	(12,996)	-	(12,996)
Management fees	(2,020)	-	(2,020)
Ending Balance	<u>\$ 141,530</u>	<u>\$ 10,000</u>	<u>\$ 151,530</u>
<u>2014</u>			
Beginning Balance	\$ 135,738	\$ 10,000	\$ 145,738
Interest and dividends	1,945	-	1,945
Investment gains			
Realized	5,393	-	5,393
Unrealized	8,461	-	8,461
Management fees	(1,867)	-	(1,867)
Ending Balance	<u>\$ 149,670</u>	<u>\$ 10,000</u>	<u>\$ 159,670</u>

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

11. Retirement Plan

The Society offers a retirement plan operated under section 401(k) of the Internal Revenue Code. Employees are eligible for participation on the first day of the month following their hire date. There are no minimum service or age requirements for participation. In addition, employees can voluntarily contribute up to the maximum allowed by law to the retirement plan. Employees vest from date of hire. For the fiscal years ended September 30, 2015 and 2014, the Society contributed 3% of each eligible employee's salary and matched 100% of employee contributions up to 3%. The Society's retirement plan expense for the years ended September 30, 2015 and 2014 totaled \$56,989 and \$65,826, respectively.

12. Lease Commitments

The Society leases office space, thrift store space and equipment under non cancelable operating leases. The future minimum payments under operating leases are as follows:

For the year ending September 30:

2016	\$ 651,998
2017	543,131
2018	374,939
2019	272,168
2020	<u>87,273</u>
	<u>\$ 1,929,509</u>

Rent expense for the years ended September 30, 2015 and 2014 was \$757,985 and \$744,724, respectively.

13. Commitments and Contingencies

Certain grants and contracts often require the fulfillment of certain conditions as set forth in the instrument or agreement. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of funds is a possibility, management of the Society deems the contingency unlikely. The grants and contracts are subject to audit by the grantor, or in the case of federal funds, the Federal government. They have the authority to determine liabilities or limit or suspend participation in the various sponsored programs.

The Society has elected the reimbursable method of financing unemployment claims in which the Society reimburses the Georgia Department of Labor for benefits paid to its former employees. There were no outstanding claims as of September 30, 2015 and 2014.

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

13. Commitments and Contingencies – Continued

The Society is subject to legal actions arising in the ordinary course of business. In management's opinion, the Society has adequate legal defense and insurance with respect to such actions and their final outcome would not materially affect the Society's operations or financial position.

14. Subsequent Events

Subsequent to year end, the Society entered into a Loan Conversion Program with a financial institution in which the Society guarantees a portion of the loans entered into by direct aid clients as approved by Management. Management believes the maximum exposure will not exceed \$20,000.

Management has evaluated events and transactions which occurred through March 14, 2016, which was the date the financial statements were available to be issued. There were no other significant subsequent events requiring recognition or disclosure in the financial statements.

SOCIETY OF ST. VINCENT DE PAUL GEORGIA, INC.
(FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)

OTHER INFORMATION AS REQUIRED
BY THE STATE OF GEORGIA

SOCIETY OF ST. VINCENT DE PAUL GEORIGIA, INC.
 (FORMERLY ST. VINCENT DE PAUL SOCIETY, INC.)
 SCHEDULE OF STATE AWARDS EXPENDED
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

State Contract Number	Earned Revenues	Receipts	Due From (To) State Agency
Pass through Georgia Department of Human Resources - Structured Employment Economic Development Corporation (Seedco) - 2015	\$ 103,000	\$ 103,000	\$ -
Pass through the Center for Working Families, Inc. - USDA Supplemental Nutrition Assistance Program (SNAP) - 2015	<u>34,292</u>	<u>34,292</u>	<u>-</u>
	<u>\$ 137,292</u>	<u>\$ 137,292</u>	<u>\$ -</u>